

State of Arkansas



Oil and Gas Commission

PERMIT TO DRILL

DATE ISSUED: 4/26/06

PERMIT NUMBER 38788
API NUMBER 03 141 10056

This permit to drill a well for the purpose of gas production is issued under statutory authority granted in A.C.A. §15-71-110.

ISSUED TO:

Operator Name: KCS Resources, Inc.		Contact Person: Daniel Miller
Address: 7130 South Lewis		Phone No.: 918-488-8283
City: Tulsa	State: OK	Zip: 74136

FOR WELL:

Permit Authority: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Amendment <input type="checkbox"/> Renewal <input type="checkbox"/> Re-entry <input type="checkbox"/> Correction			
Lease Name/Well No.: Whisenhunt 1-31-H		Field Name: Wildcat	
Sec.: 31	Twp.: 10N	Rge.: 13W	Surface Location: 1330' FSL & 2185' FWL
County: Van Buren			

Bottom Hole Location (if directional, provide BHL mid-point perms; if horizontal, provide beginning and end of perforated interval):
1286' FNL & 685' FWL

The above permit holder is hereby authorized to drill the above named well, in accordance with all applicable State statutes, Commission rules and regulations, and the following permit conditions:

PERMIT CONDITIONS:

1. Permit is non-transferable.
2. Permit will terminate on October 22, 2006 unless drilling has commenced and continues with due diligence.
3. Surface casing is required to be set in accordance with General Rule B-15 and applicable Field Rules, to a depth of 500 feet.
4. All completion reports, electric and other open hole wireline logs, and service tickets are required to be filed within 30 days of actual completion of well.
5. All conditions listed on the Procedures & Requirements Sheet
- 6.

APPROVED BY:

A handwritten signature in cursive script, appearing to read "L. E. Buzard".

Director of Production and Conservation



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OIL AND GAS
COMMISSION

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2006 APR 26 PM 3 24

Submit Form To:
Headquarters Office
2215 West Hillsboro
El Dorado, Arkansas 71730

Permit No. _____

API No.: 03- _____

FORM 2

NOTICE OF INTENTION TO DRILL FOR OIL OR GAS

(This application to drill must be accompanied by a remittance of \$300.00)

Date Issued _____

Expiration Date _____

Date _____

Name of Operator KCS RESOURCES INC

Send Permit to: Street 7130 South Lewis

City TULSA State OK Zip 74136

E-Mail _____ Phone 918-488-8283 Fax 918-488-8750

Well Name WHISENHUNT Well No. 1-31H

Acres In Lease _____ Drilling Unit 640

Description of Drilling Unit ALL OF SECTION 31

Description of Unit Subdivision (if applicable) _____

Location of proposed well from nearest drilling unit or unit subdivision (if applicable) boundaries - Must agree with Surveyor's Plat
(SHL) _____ (PBHL) _____

Location of proposed well from nearest section lines - Must agree with Surveyor's Plat
(SHL) 330' FSL 2185 FWL (PBHL) 1286 FNL 685 FNL FWL

Section 31 Township 10N Range 13W

County VAN BUREN Field Wildcat

Distance and direction from nearest town BEE Branch

Distance and direction from proposed location to nearest drilling, completed or applied for well _____

Date work will start ASAP Depth to be drilled MD 6362 TD 3525

Name of drilling or workover contractor TBA

Formation you propose to complete in FAYETTEVILLE SHALE

If exceptional location, indicate Order Reference Number _____

Purpose of Form 2 Original ☒ Amendment ☐ Renewal ☐ Re-entry ☐

Remarks: Expl Drilg Unit 106-2006-04

Lat 35° 27' 29.18474" **CERTIFICATE** Long -92° 25' 02.62460
I declare under the penalties of perjury that this report has been examined by me and to the best of my knowledge is true,
correct and complete.

500'
4-26-06
RR

Daniel Miller
Signature

Agent
Title

4-26-06
Date

Typed or Clearly Printed Name

See Instructions on Reverse Side

Revised 4/06



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Headquarters Office
2215 West Hillsboro
El Dorado, Arkansas 71730

Permit No. 38788

API No.: 03- 141-10056

FORM 2

NOTICE OF INTENTION TO DRILL FOR OIL OR GAS

(This application to drill must be accompanied by a remittance of \$300.00)

Date Issued 4/26/06

Expiration Date 10/22/06

Date _____

Name of Operator KCS Resources Inc

Send Permit to: Street 7130 South Lewis

City Tulsa State OK Zip 74136

E-Mail _____ Phone 918-488-8283 Fax 918-488-8750

Well Name WHISEN HUNT Well No. 1-31 H

Acres In Lease _____ Drilling Unit 640

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If exceptional location, indicate Order Reference Number _____

Purpose of Form 2 Original ☒ Amendment ☐ Renewal ☐ Re-entry ☐

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35.458106 92.417394

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See Instructions on Reverse Side

Revised 4/06



LANDPOINT SURVEYS, INC.
JAMES LATSON SOUTER, PLS



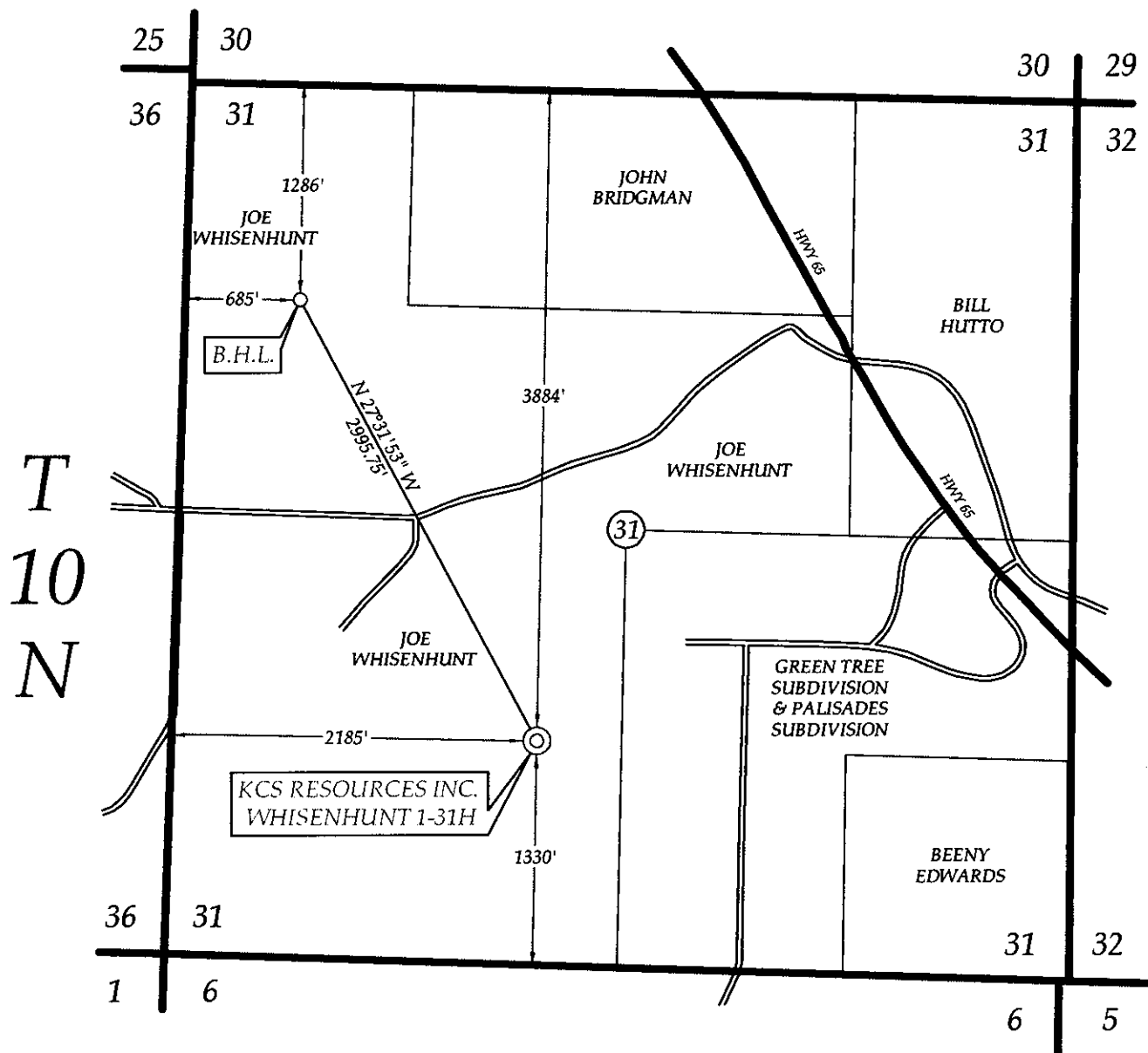
R-13-W

NOTE: THIS SURVEY IS
SUBJECT TO POSSIBLE VISIBLE
AND NON-VISIBLE EASEMENTS.

220 SOUTH PINE DRAWER 1600 3218 LINE AVE. SUITE 224
MAGNOLIA, AR 71753 SHREVEPORT, LA 71104
AR., PH. (870) 234-6384 LA., PH. (318) 226-0100
(870) 234-7068 FAX

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BY LANDPOINT SURVEYS INC.

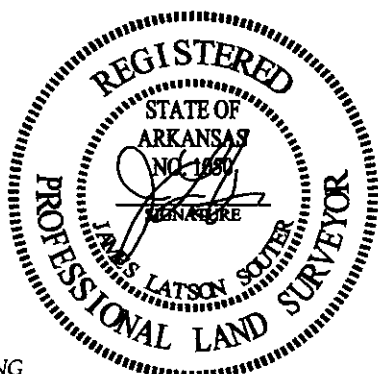
Restrictions on Use/Dissemination
For value received, Landpoint Surveys, Inc. has prepared a Survey Plat for KCS Resources Inc. These Documents have been prepared for the exclusive use of KCS Resources Inc. according to the terms and covenants of a mutual agreement. Use or reliance on the Survey Plat by any party other than KCS Resources Inc. and its Legal representative is forbidden without permission in writing from the President of Landpoint Surveys, Inc. whose seal and name are shown on the Plat.



WELL LOCATION PLAT

OPERATOR: KCS RESOURCES INC.
WELL NAME: WHISENHUNT 1-31H
SURFACE 3884' FROM NORTH LINE, 2185' FROM WEST LINE
LOCATION: SECTION 31, T-10-N, R-13-W, VAN BUREN COUNTY, ARKANSAS
BOTTOM HOLE 1286' FROM NORTH LINE, 685' FROM WEST LINE
LOCATION: SECTION 31, T-10-N, R-13-W, VAN BUREN COUNTY, ARKANSAS

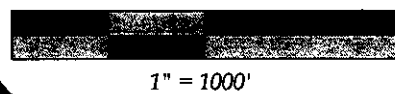
NOTE: THERE ARE NO DWELLINGS OR
STRUCTURES LOCATED WITHIN 200'
RADIUS OF ABOVE LOCATION.



SURFACE LOCATION:
GROUND ELEVATION: 906.29 FEET
WELL COORDINATES
LAT = 35°27'29.18474"
LONG = -92°25'02.62460"
X = 1875695.294216 NAD 27
Y = 409647.179413 NAD 27

BOTTOM HOLE LOCATION:
WELL COORDINATES
LAT = 35°27'55.40086"
LONG = -92°25'19.50121"
X = 1874310.546654 NAD 27
Y = 412303.653153 NAD 27

SCALE: 1" = 1000'
DATE: 3/30/06
NUMBER: 06-272
DRAWN: A. BARRONG
COGO: GPSDRIVE3\06-272.ZAK
FILE NAME: GPS DRIVE3\2006PLATS\06-272.DWG



I HEREBY STATE THAT THE HEREON PLATTED AND
DESCRIBED WELL LOCATION WAS STAKED FROM
A GROUND SURVEY AND WAS COMPLETED UNDER
MY SUPERVISION ON THE 21st DAY OF MARCH,
2006
James Latson Souter
JAMES LATSON SOUTER, PLS No. 1050
NOTE: THIS PLAT SHOULD NOT BE CONSIDERED
VALID WITHOUT INKED SURVEYOR'S STAMP AND
SIGNATURE. BEARINGS BASED ON MAGNETIC
NORTH. NO PHOTOCOPIES. © COPYRIGHT 2006

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INSTRUCTIONS

FILING OF WELL RECORDS IN ACCORDANCE WITH GENERAL RULE B-5:

Within 30 days of "actual" completion of the well, or prior to commencing production, whichever occurs first, the following information is required to be filed with the Commission. Actual well completion is defined as completion of well treatment activities, installation of downhole production equipment and installation and configuration of wellhead for production, excluding pipeline connection.

REQUIRED INFORMATION FOR ISSUANCE OF CERTIFICATE OF COMPLIANCE:

- 1) Form 3 – Well Completion or Recompletion Report, along with a bottomhole directional survey (if applicable) and any additional information required by specific field rules.
- 2) Form 4 – Request for Issuance of Certificate of Compliance;
- 3) All electric and other open hole wireline logs;
- 4) All logging and well completion service tickets.

ARKANSAS OIL AND GAS COMMISSION

Headquarters Office:
2215 West Hillsboro
El Dorado, AR 71730
Phone: (870) 862-4965
FAX: (870) 862-8823
<http://www.aogc.state.ar.us>

Mike Huckabee
Governor



Lawrence Bengal
Director

El Dorado District Office:
P. O. Box 1472
El Dorado, AR 71731
Phone: (870) 862-4965
FAX: (870) 862-8823

Fort Smith District Office:
3309 Phoenix Avenue
Fort Smith, AR 72903
Phone: (479) 646-6611
FAX: (479) 649-7656

PROCEDURES AND REQUIREMENTS FOR SURFACE CASING AND PLUGGING OF WELLS

You are **REQUIRED** to set a minimum of **500** feet of surface casing on the well listed below to comply with the Minimum Casing Requirements adopted by the Arkansas Oil & Gas Commission.

KCS Resources, Inc.
OPERATOR

Whisenhunt 1-31-H
LEASE AND WELL NO.

You are **required** to notify a Commission representative prior to commencing drilling operations to report the location of the drilling operation and the estimated time and amount of surface pipe to be set. All cementing of surface pipe will be done by the pump and plug method and will be circulated to the surface.

In the event that the well is to be abandoned, the Commission must be notified in accordance with **General Rule B-7** and in ample time for a representative of the Commission to be present to witness the plugging of the well. All wells will be plugged in accordance with the procedures authorized by **General Rule B-8**.

For the industry's convenience, a representative of The Arkansas Oil & Gas Commission is on 24-hour call and can be contacted at 3309 Phoenix Avenue, Fort Smith, Arkansas 72903 or by phone at **(479) 646-6611**.

NOTE: The **Arkansas Department of Environmental Quality (ADEQ)** requires each Operator to receive a *Letter of Authorization* prior to commencing reserve pit construction. Contact ADEQ State Permits Branch at (501) 682-0648 for authorization guidelines.

COMMISSION MEMBERS

Chris Weiser, Chairman, Magnolia
Chad White, Vice-Chairman, Magnolia • W. Frank Morledge, Forrest City
Charles Wohlford, Fort Smith • Bill Poynter, Texarkana • Mike Davis, Magnolia
Kenneth Williams, Jersey • Carolyn Pollan, Fort Smith • William L. Dawkins, Jr., Fort Smith

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